

General Information Letter: Military pensions are exempt from Illinois income taxation.

September 25, 2000

Dear:

This is in response to your two letters dated August 11, 2000 concerning Illinois tax treatment of military annuity payments and military retirement payments.

According to the Department of Revenue ("Department") regulations, the Department may issue only two types of letter rulings: Private Letter Rulings ("PLR") and General Information Letters ("GIL"). The regulations explaining these two types of rulings issued by the Department can be found in 2 Ill. Adm. Code §1200, or on the website <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

Due to the nature of your inquiry and the information presented in your letter, we are required to respond with a GIL. GILs are designed to provide background information on specific topics. GILs, however, are not binding on the Department.

The information contained in "xx 2000 Income Tax Guide (for 1999 Returns)" regarding Illinois tax treatment of annuity plans and retirement payments to military retirees is still correct under current Illinois law.

As stated above, this is a general information letter which does not constitute a statement of policy that either applies, interprets or prescribes tax law. It is not binding on the Department. Should you have additional questions, please do not hesitate to contact our office.

Sincerely,

Heidi Scott
Staff Attorney -- Income Tax